

(Corrected)
Amended by House Committee

Session of 2011

HOUSE BILL No. 2028

By Committee on Judiciary

1-18

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- 1 AN ACT concerning trusts; relating to insurable interests of trustees.
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- 3 *Be it enacted by the Legislature of the State of Kansas:*
- 4 Section 1. (a) In this section, "settlor" means a person that
5 executes a trust instrument. The term includes a person for which a
6 fiduciary or agent is acting.
- 7 (b) A trustee of a trust has an insurable interest in the life of an
8 individual insured under a life insurance policy that is owned by the
9 trustee of the trust acting in a fiduciary capacity or that designates the
10 trust itself as the owner if, on the date the policy is issued:
- 11 (1) The insured is:
- 12 (A) A settlor of the trust; or
- 13 (B) an individual in whom a settlor of the trust has, or would have
14 had if living at the time the policy was issued, an insurable interest; and
- 15 (2) the life insurance proceeds are primarily for the benefit of one
16 or more trust beneficiaries that have:
- 17 (A) An insurable interest in the life of the insured; or
- 18 (B) a substantial interest engendered by love and affection in the
19 continuation of the life of the insured and, if not already included under
20 subparagraph (A), who are:
- 21 (i) Related within a third degree or closer, as measured by the civil
22 law system of determining degrees of relation, either by blood or law,
23 to the insured; or
- 24 (ii) stepchildren of the insured, **or children of the insured's**
25 **stepchild, either by blood or law**
- 26 (c) **This section shall be part of the supplemental to the Kansas**
27 **uniform trust code.**
- 28 Sec. 2. This act shall take effect and be in force from and after its
29 publication in the statute book.
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